

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 EUR-12 EA-10 IO-10 ISO-00 DIWY-01 SSO-00

NSCE-00 INRE-00 USIE-00 OIC-02 CIAE-00 DODE-00 PM-03

H-02 INR-07 L-02 NSAE-00 NSC-05 PA-02 PRS-01 SP-02

SS-15 INT-05 OES-05 OMB-01 TRSE-00 /103 W

----- 093311

O R 251710Z MAR 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 4457

INFO AMEMBASSY TOKYO

AMEMBASSY VIENNA

USMISSION EC BRUSSELS

US MISSION OECD PARIS 288

US MISSION GENEVA 187

US MISSION USUN NEW YORK 541

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TOKYO FOR USDEL TO CNR; VIENNA FOR UNIDO

FROM USDEL UNIDO II CONFERENCE

E.O. 11652: NA

TAGS: UNIDO,EGEN,OCON,EINV,RO,PE

SUBJ: UNIDO II - G-77 AND ROMANIAN DRAFT RES ON PERMANENT  
SOVEREIGNTY OVER NATURAL RESOURCES

REF: A. LIMA 2394; B. LIMA 2416

1. THERE FOLLOWS FULL TEXT OF "DRAFT RESOLUTION ON PERMANENT  
SOVEREIGNTY OVER NATURAL RESOURCES AND INDUSTRIALIZATION OF THE  
DEVELOPING COUNTRIES," SUBMITTED BY G-77 AND ROMANIA (REFTTEL  
A; WHILE PERUVIANS REPORTEDLY ACTIVE IN PREPARATION THEREOF,  
WE HAVE INDICATIONS THEY ARE PREPARED SEE IT REMANDED TO IDB, POSSIBL  
Y

UP-COMING NINTH SESSION (WE HAVE HEARD SOME TALK OF G-77

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PROPOSING IDB-IX BE EXTENDED FOR A WEEK TO CONSIDER OVER-

FLOW FROM UNIDO-II.) ON BASIS OF INSTRUCTIONS USDEL BROUGHT TO LIMA, TEXT WOULD GIVE US SUFFICIENT PROBLEMS THAT WE WOULD OPPOSE EFFORT TO NEGOTIATE IT FURTHER AT LIMA AND WOULD VOTE AGAINST IT IF BROUGHT TO VOTE.

2. FULL TEXT READS: QUOTE THE SECOND GENERAL CONFERENCE OF THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION RECALLING UNITED NATIONS GENERAL ASSEMBLY RESOLUTIONS 523 (VI) OF 12 JANUARY 1952, 626 (VII) OF 21 DECEMBER 1952, 3016 (XXVII) OF 18 DECEMBER 1972 AND 3172 (XXVIII) OF 17 DECEMBER 1973 ON PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES,

RECALLING IN PARTICULAR RESOLUTION 2692 (XXV) OF 11 DECEMBER 1970 WHICH REAFFIRMS THE RIGHT OF PEOPLES AND NATIONS TO PERMANENT SOVEREIGNTY OVER THEIR NATURAL WEALTH AND RESOURCES, WHICH MUST BE EXERCISED IN THE INTEREST OF THEIR NATIONAL DEVELOPMENT AND OF THE WELL-BEING OF THE PEOPLE OF THE STATES CONCERNED',

BEARING IN MIND ALSO THAT THE ABOVE-MENTIONED RESOLUTION REAFFIRMS THAT 'THE EXERCISE OF PERMANENT SOVEREIGNTY OVER THEIR NATURAL RESOURCES BY DEVELOPING COUNTRIES IS INDISPENSABLE IN ORDER THAT THEY MAY, INTER ALIA, ACCELERATE THEIR INDUSTRIAL DEVELOPMENT' AND STRESSES IN THIS RESPECT 'THE IMPORTANT ROLE OF THE APPROPRIATE ORGANIZATIONS OF THE UNITED NATIONS SYSTEM IN THE PROMOTION OF SPECIFIC INDUSTRIAL PROJECTS DEALING WITH THE NATURAL RESOURCES OF DEVELOPING COUNTRIES';

RECOGNIZING THAT THE EXERCISE OF THE PERMANENT SOVEREIGNTY OF STATES OVER THEIR NATURAL RESOURCES AT ALL STAGES, FROM INITIAL EXTRACTION TO MARKETING AND INCLUDING THEIR INDUSTRIAL PROCESSING, STRENGTHENS THEIR ECONOMIC INDEPENDENCE AND THE MAINTENANCE OF INTERNATIONAL PEACE AND SECURITY,

AFFIRMING THAT NATURAL RESOURCES ARE LIMITED AND IN MANY CASES NON-RENEWABLE, AND THAT THEIR RATIONAL EXPLOITATION CONSTITUTES AN ESSENTIAL FACTOR FOR PROMOTING ECONOMIC, SOCIAL AND PARTICULARLY INDUSTRIAL DEVELOPMENT IN THE DEVELOPING COUNTRIES, BOTH IN THE PRESENT AND THE FUTURE,

LIKEWISE AFFIRMING THE PRINCIPLE THAT EVERY COUNTRY HAS THE

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INVIOABLE RIGHT TO ADOPT THE ECONOMIC AND SOCIAL SYSTEM WHICH IT CONSIDERS MOST FAVOURABLE FOR ITS DEVELOPMENT,

ASSERTING THAT THE OBTAINING OF RESOURCES FOR FINANCING THE DEVELOPMENT PLANS OF THE DEVELOPING COUNTRIES, AND IN PARTICULAR THEIR INDUSTRIAL DEVELOPMENT PLANS, DEPENDS TO A LARGE EXTENT ON THE PROFITS MADE, WITH A VIEW TO THE NATIONAL INTEREST, FROM THE EXPLOITATION OF NATURAL RESOURCES,

RECALLING THE DECLARATION AND PROGRAMME OF ACTION ON  
THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER  
ADOPTED AT THE SIXTH SPECIAL SESSION OF THE UNITED NATIONS  
GENERAL ASSEMBLY,

ATTACHING SPECIAL IMPORTANCE TO PARAGRAPH 4(E) OF THE  
DECLARATION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC  
ORDER, WHICH STATES THAT 'IN ORDER TO SAFEGUARD THESE RESOURCES,  
EACH STATE IS ENTITLED TO EXERCISE EFFECTIVE CONTROL OVER  
THEM AND THEIR EXPLOITATION WITH MEANS SUITABLE TO ITS OWN  
SITUATION, INCLUDING THE RIGHT TO NATIONALIZATION OR TRANSFER OF  
OWNERSHIP TO ITS NATIONALS, THIS RIGHT BEING AN EXPRESSION OF  
THE FULL PERMANENT SOVEREIGNTY OF THE STATE',

OBSERVING THE CLOSE LINK BETWEEN THE EXPLOITATION OF NATURAL  
RESOURCES AND THE INDUSTRIALIZATION OF THE DEVELOPING COUNTRIES  
AND, IN THIS SAME CONNEXION, THE CENTRAL ROLE OF UNIDO IN THE  
EXAMINATION AND CO-ORDINATION OF ALL THE ACTIVITIES OF THE UNITED  
NATIONS SYSTEM IN THE SPHERE OF INDUSTRIAL DEVELOPMENT,

RECOGNIZING THAT THE GRADUAL EXPANSION OF THE ACTIVITIES OF THE  
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION REGARDING  
ASSISTANCE TO DEVELOPING COUNTRIES IN THE UTILIZATION OF THEIR  
NATURAL RESOURCES (ESPECIALLY MINERALS) FOR THE DEVELOPMENT  
OF THEIR OWN NATIONAL INDUSTRIES WILL NOT ONLY IMPORT GREATER  
IMPORTANCE AND MORE CONCRETE FORM TO UNIDO'S ROLE IN  
FULFILLING GENERAL ASSEMBLY RESOLUTIONS 2692 (XXV) AND  
3016 (XXVII), BUT ALSO TO THE FUNCTIONS ENTRUSTED TO IT IN  
GENERAL ASSEMBLY RESOLUTION 2152 (XXVI),

1. ENERGETICALLY REAFFIRMS THE RIGHT OF STATES TO PERMANENT  
SOVEREIGNTY OVER ALL THEIR NATURAL RESOURCES, BOTH ON LAND AND  
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IN THE SEA, INCLUDING THOSE WHICH ARE LOCATED ON OR BELOW THE  
SEA-BED AND IN THE OVERLYING WATERS WITHIN THEIR NATIONAL  
JURISDICTION;

2. RECOMMENDS THAT THE INDUSTRIAL DEVELOPMENT BOARD  
OF THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION  
SHOULD INCLUDE IN ITS SESSIONS A PERMANENT AGENDA ITEM ON  
UNIDO'S ACTIVITIES AIMED AT COLLABORATING WITH THE  
DEVELOPING COUNTRIES IN THE EXERCISE OF THEIR PERMANENT  
SOVEREIGNTY OVER THEIR NATURAL RESOURCES AND THE EFFECTS  
OBSERVED ON THEIR INDUSTRIAL DEVELOPMENT;

3. RECOMMENDS IN PARTICULAR THAT THE TENTH SESSION OF THE  
INDUSTRIAL DEVELOPMENT BOARD SHOULD BE PRESENTED WITH A REPORT  
PREPARED BY THE EXECUTIVE DIRECTOR OF UNIDO ON:

(A) THE FUNCTION THAT THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION CAN DISCHARGE IN THE APPLICATION OF RESOLUTIONS 2692 (XXV) AND 3016 (XXVII) REGARDING THE PERMANENT SOVEREIGNTY OF THE DEVELOPING COUNTRIES OVER THEIR NATURAL RESOURCES;

(B) THE CLOSE LINK BETWEEN THE EXERCISE OF SOVEREIGNTY OVER NATURAL RESOURCES, AND ESPECIALLY OVER MINERAL RESOURCES RELATED WITH THE INDUSTRIALIZATION OF DEVELOPING COUNTRIES, AND THE OPPORTUNITIES FOR BROADENING THEIR UTILIZATION AND ASSISTING THEIR OPTIMUM AND INDEPENDENT USE TO FURTHER ECONOMIC AND SOCIAL DEVELOPMENT IN GENERAL AND INDUSTRIAL DEVELOPMENT IN PARTICULAR.

(C) THE MOST SUITABLE FORMS AND MECHANISMS FOR ENABLEING THE UNIDO LONG-TERM STRATEGY TO ACHIEVE A GRADUAL BROADENING OF THE ACTIVITIES OF THAT ORGANIZATION, INCLUDING ASSISTANCE TO DEVELOPING COUNTRIES IN THE EXPLORATION AND UTILIZATION OF THEIR NATURAL RESOURCES FOR THE PURPOSE OF INDUSTRIALIZATION;

(D) THE CO-ORDINATION OF THE ACTIVITIES OF THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION WITH THOSE OF THE COMMITTEE ON NATURAL RESOURCES AND THE RESOURCES AND TRANSPORT DIVISION OF THE UNITED NATIONS DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS;

4. ALSO REQUESTS THE EXECUTIVE DIRECTOR TO PREPARE FOR SUBMISSION  
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TO THE TENTH SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD, IN CO-ORDINATION WITH OTHER APPROPRIATE ORGANS OF THE UNITED NATIONS, A REPORT OF PRACTICES FOLLOWED BY TRANSNATIONAL CORPORATIONS IN THEIR OPERATIONS IN THE TERRITORY OF DEVELOPING COUNTRIES WHICH AFFECT THE INDUSTRIALIZATION OF THE LATTER.  
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## Message Attributes

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